

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF       )  
ARTESIAN WATER COMPANY, INC. FOR AN       )       PSC DOCKET NO. 04-42  
INCREASE IN WATER RATES                       )  
(FILED FEBRUARY 5, 2004)                       )

**ORDER NO. 6378**

**AND NOW**, to-wit, this 16th day of March, 2004;

**WHEREAS**, Artesian Water Company, Inc. ("Artesian" or "the Company"), having, on February 5, 2004, filed with the Public Service Commission ("the Commission") an application with proposed revised tariffs designed to produce a 24.22% annual increase in the Company's revenues or approximately \$8,800,000 in additional revenues; and

**WHEREAS**, by the same application, Artesian has further sought to revise its tariffed rules and regulations concerning, among other things: (1) adding language to charge \$30.00 to customers who miss scheduled appointments; (2) deleting the "Standby Connection" and adding a "Cross Connections" sections; and (3) adding language to not mail refund checks totaling less than \$10.00 to customers who have left Artesian's service territory, but making these refunds available if requested by the former customer. The Company is also requesting that the Commission reopen PSC Regulation Docket No. 13 to review interest rates for customer deposits; and

**WHEREAS**, the Commission having determined that pursuant to the authority granted to the Commission by 26 Del. C. § 306(a)(1), the filing by Artesian shall be suspended pending full and complete evidentiary hearings into the justness and reasonableness of the proposed new rates, tariffs, and rule revisions; now, therefore,

**IT IS ORDERED:**

1. That the rates, tariffs, and rule revisions filed by Artesian Water Company, Inc., with the Delaware Public Service Commission on February 5, 2004, are hereby suspended pursuant to 26 Del. C. § 306(a)(1) and shall not be placed into force or effect except pursuant to further Order of the Commission or pursuant to law, and then only to the extent such further Commission Order or such law may permit or allow.

2. That, pursuant to the requirements of 26 Del. C. §§ 102A and 304, Artesian Water Company, Inc., shall give public notice of the application for increased rates and proposed revisions to its rules and regulations by causing the publication of the notice attached hereto as Exhibit "A" in The News Journal and Delaware State News newspapers, in two column format, outlined in black, on the following dates:

Tuesday, March 23, 2004 (The News Journal)

Wednesday, March 24, 2004 (Delaware State News).

Proof of such publication shall be filed with the Commission as soon thereafter as is reasonably practicable but prior to the date set for any evidentiary hearing in this docket.

3. That Robert P. Haynes is designated as Hearing Examiner for this matter pursuant to the terms of 26 Del. C. § 502 and 29 Del. C. ch. 101 to schedule and conduct such evidentiary hearings as may be necessary to have a full and complete evidentiary record concerning the justness and reasonableness of the proposed increased rates and to thereafter file a report and recommendations with the Commission. Dates and times for serving and responding to discovery shall be included in the procedural schedule. Hearing Examiner Haynes is specifically delegated the authority to grant or deny petitions seeking leave to intervene. In addition,

Hearing Examiner Haynes is delegated the authority, under 26 Del. C. § 102A, to determine the form and manner of any further public notice in this matter. James McC. Geddes, Esquire, is designated Rate Counsel for this matter. The Applicant is hereby placed on notice that the cost of the proceeding will be charged to it under the provisions of 26 Del. C. § 114(b) (1).

4. That the Commission reserves the jurisdiction and authority to enter such other or further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae  
Chair

/s/ Joshua M. Twilley  
Vice Chair

/s/ Joann T. Conaway  
Commissioner

/s/ Donald J. Puglisi  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

ATTEST:

/s/ Karen J. Nickerson  
Secretary

E X H I B I T   "A"

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P U B L I C   N O T I C E

**TO:   ALL CUSTOMERS OF ARTESIAN WATER COMPANY, INC.,  
      AND OTHER INTERESTED PERSONS**

On February 5, 2004, Artesian Water Company, Inc. ("Artesian" or "the Company") filed with the Delaware Public Service Commission ("the Commission") an application for an increase in its water service rates and for several changes to its tariffed rules and regulations. The new proposed rates and charges are designed to produce additional annual revenues to the Company of approximately \$8,800,000. This is a proposed increase in annual revenue of approximately 24.22%.

In the same application, Artesian also requests permission to revise its rules and regulations concerning, among other things: (1) adding language to charge \$30.00 to customers who miss scheduled appointments; (2) deleting the "Standby Connection" section and adding a "Cross Connections" section; and (3) adding language to not mail refund checks totaling less than \$10.00 to customers who have left Artesian's service territory, but making these refunds available if requested by the former customer. The Company is also requesting that the Commission reopen PSC Regulation Docket No. 13 to review interest rates for customer deposits.

The following is a comparison of Artesian's present rates and those proposed in the application:

# **WATER CHARGE**

## Rate Per 1,000 Gallons

	<u>OLD RATE</u>	<u>NEW RATE</u>
RESIDENTIAL:		
5,000 & Under	\$3.682	\$4.574
5,0001 - 20,000	\$3.925	\$4.876
20,001 & Over	\$4.572	\$5.679
WHOLESALE INDUSTRIAL:		
All Consumption	\$2.273	\$2.824
ALL OTHER:		
First 500,000	\$3.330	\$4.137
Over 500,000	\$3.827	\$4.754

All water registered on  
bypass meters is current-  
ly billed at the rate of  
\$4.572 per 1,000 gallons.

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## **MINIMUM QUARTERLY CHARGE**

	<u>Old Rate</u>	<u>New Rate</u>
<u>Meter Size</u>		
5/8"	\$ 28.35	\$ 35.22
3/4"	\$ 34.03	\$ 42.27
1"	\$ 45.37	\$ 56.36
1-1/2"	\$ 30.25	\$ 37.58
2"	\$ 39.71	\$ 49.33
3"	\$ 60.50	\$ 75.16
4"	\$ 86.97	\$108.04
6"	\$151.26	\$187.90
8"	\$226.88	\$281.84
10"	\$359.23	\$446.25

**QUARTERLY FIRE HYDRANT READY TO SERVE CHARGE**

	<u>Old Rate</u>	<u>New Rate</u>
<u>Meter Size</u>		
5/8"	\$ 6.58	\$ 8.17
3/4"	\$ 9.87	\$ 12.26
1"	\$ 16.44	\$ 20.42

**MONTHLY FIRE HYDRANT READY TO SERVE CHARGE**

	<u>Old Rate</u>	<u>New Rate</u>
<u>Meter Size</u>		
1-1/2"	\$ 10.96	\$ 13.61
2"	\$ 17.53	\$ 21.78
3"	\$ 32.89	\$ 40.86
4"	\$ 54.81	\$ 68.09
6"	\$109.61	\$136.16
8"	\$174.93	\$217.30
10"	\$279.94	\$347.75

**PRIVATE FIRE PROTECTION**

	<u>Quarterly Charge</u>	
	<u>Old Rate</u>	<u>New Rate</u>
1-1/2" detector check	\$ 46.82	\$ 58.16
2" detector check	\$ 90.51	\$ 112.43
3" detector check	\$ 140.47	\$ 174.50
4" detector check	\$ 252.78	\$ 314.01
6" detector check	\$ 539.17	\$ 669.78
8" detector check	\$ 897.70	\$ 1,115.15
10" detector check	\$ 1,328.39	\$ 1,650.17
12" detector check	\$ 1,451.56	\$ 1,803.18
Charge per private hydrant	\$ 539.17	\$ 669.78

Pursuant to 26 Del. C. § 306(a)(1), the Commission has suspended the effectiveness of the proposed new rates and the proposed rule revisions pending further investigation and public evidentiary hearings, which will be held at a later date after further public notice. However, the utility is expected to exercise its right under 26 Del. C. § 306(c) and

place a portion of the proposed rate increase into effect under bond and subject to refund sixty (60) days after the February 5, 2004 filing date.

The Commission will make its decision on this matter on the basis of the evidence of record taken at the public evidentiary hearings. The Commission may approve or reject, in whole or in part, the proposed increase and revisions and may approve a different method for allocating among rates any allowed increase in revenues should one be found to be appropriate.

Any person wishing to participate as a party in this docket (PSC Docket No. 04-42) should file for leave to intervene with the Commission in accordance with Rule 21 of the Commission Rules of Practice and Procedure. Such petitions should be filed on or before **Wednesday, April 14, 2004** at the Commission's office located at:

Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building  
Suite 100  
Dover, Delaware 19904

Petitions filed thereafter will not be considered except for good cause shown.

Interested customers are urged to review the application and supporting materials to see how their individual interest may be affected. Copies of the application are available for public inspection during normal business hours in the Commission's Dover office at the address listed above. Copies may also be reviewed, by appointment, at the office of the Division of the Public Advocate located at the Carvel State Office Building, 4th Floor, 820 North French Street, Wilmington, Delaware 19801. Please call (302) 577-5077 to arrange for a time to review the documents at such location.

Any individual with disabilities who wishes to participate in, or to review these proceedings, should contact the Commission to discuss any auxiliary aids or services needed to facilitate such review or participation. Such contact may be in person, by writing, by telephone, or otherwise. For inquiries, the Commission's toll free telephone number (in Delaware) is 1-800-282-8574. Any person with questions may also contact the Commission Staff at (302) 739-4247 or by Text Telephone at (302) 739-4333. Inquiries can also be sent by Internet e-mail to [connie.mcdowell@state.de.us](mailto:connie.mcdowell@state.de.us).